Statistical Units and Profiling

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Statistical Units

- Statistical units have an important function in statistical processes, serving as a basis for data collection and processing, and as a tool for controlling statistical operations.

- The establishment is used as a statistical unit in the Department of Statistics.

- Establishment is a basic core of the frame of establishments, used for design and selecting the sample.

- Surveys and economic studies are based on a comprehensive framework of all establishments (statistical units) regardless of the amount of capital or number of employees.

- The frame is based on the establishments census, which is updated every five years through censuses only, so we have a problem in data updating. This frame is used solely by the (DoS).

- ISIC 4 is used to determine the economic activity for these establishments.
The (DoS) adopts the most international concepts, classifications and definitions issued by the UN.

The definition of establishment (statistical unit) has been adopted in the establishments’ censuses of 1999, 2006 and 2011, as defined by the system of national accounts (SNA) issued by the UN is as follows:

“An establishment is an enterprise, or part of an enterprise, that is situated in a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added”.

Statistical Units Definition
Since the establishments’ census of 1999, and according the state of economic regulation of the establishment, the economic entity has been considered as an establishment, in the following cases:

1) Headquarter without branches.
2) Headquarter with branches.
3) The branch that keeps separate accounts.

The following cases are not considered as establishments (statistical unit), namely:

1) The branch that does not keep separate accounts.
2) A non-operating branch of a foreign company (regional office).
The clear & specific definition of the statistical unit, lead to:

- Facilitate the collection and dissemination of statistical data.
- Improving the quality of the statistical product.
- Improving the quality of the frame, which reduces the sampling and non-sampling errors.
- Consistency of the statistical data & indicators through time series.
- Ensuring non-conflict & overlapping of establishments’ distribution at governorates, regions and the national levels.
- Consistency of the data & indicators at the national level through using the specific definition from all sources.
- Comparability with international data & indicators through using the international concepts & definitions.
Business Profiling - auditing

✓ A tool to improve the quality of statistics, and to increase the efficiency of statistical operations.

✓ Business Profiling is a modern concept at the (DoS) and it has been used by the staff of audit office as a simple concept named an audit profile.

✓ The audit profile contains information on large establishments covering basic information & overall data on production and sales, this information & data are collected & updated from:

1) censuses.

2) Periodic annual & quarterly economic surveys which is usually includes all large establishments in the survey samples.

3) available Administrative data sources.

4) Data collected through re-visits.
Audit Profile is utilized by the audit & review staff to improve the quality of periodic surveys data through the following:

- Editing of basic quarterly & annual data through comparison with the Audit profile.
- Re- interviewing for verifying the correctness of data.
- Follow up of the structural & basic changes in the establishment. In addition to analyzing and clarifying the reasons of changes and reflecting the conclusions in the profiling file & the work frame.
- Controlling the field data collection process.
- Analyzing the structural information to identify the statistical unit.
- Ensuring the data consistency & indicators.
Business profiling /Audit Profile of large and complex enterprises

✓ (DoS) adopts the establishment and not the enterprise as a statistical unit.
✓ According to the classification of the state of economic regulation, there are no complex enterprises in Jordan.
✓ (DoS) considers establishments to be large if it engage 20+ workers or/and its sales (JDs. 500000 +) totaling 2912 establishments.
✓ Audit Profile contains basic information, overall data on production & sales on 2912 establishments.
✓ Ensuring the validity of the Audit Profile information through phone or personal interview.
✓ (DoS) uses the file information to determine the statistical unit and to review and edit the obtained data.
Business profiling /Audit Profile in support of identifying statistical units

✓ Provision of basic structure information on the economic entity contributes to identifying the statistical unit.

✓ Availability of sufficient information and data about the legal, accounting and structural status of the economic entity.

✓ Clarity in defining the statistical unit in the methodology of the statistical work and outlining standards.

✓ Continuous updating of the Audit Profile information and monitoring of any structural changes on the establishment.
Challenges in establishing a Business Profiling Program

- Non-availability of national statistical system.
- Non-availability of comprehensive national business register, noting that work in this project began on 1 June 2014.
- Non-existence of cooperation between (DoS) & government institutions to provide information about the new companies.
- Difficulties and lack of the technical expertise required.
- Variations of definitions and classifications used in the data sources.
Challenges in establishing a Business Profiling Program

✓ Variations of laws and regulations governing data sources.
✓ The laws of data confidentiality and lack of determining the powers.
✓ Possessive mentality and working away from collective and partnership concepts.
✓ The lack of effective mechanisms to update the data.
How business profiling /Audit Profile helps coherence analysis

✓ Improving the survey data quality.
✓ Continuous data checking & controlling based on the audit profile leads to consistency in time series.
✓ Adequate audit profile information leads to accurate imputation process of the non-responding establishments.
✓ Observing & follow up of structural & geographic locations changes and reflecting it on the frame.
✓ Ensuring non- conflict & overlapping of establishments’ distribution.
✓ Inclusion of the business profiling files with clear concepts, definitions, classifications and methodologies at the national & international level.
Thank You For Your Attention